MARKET FINANCE

A GUIDE FOR STRATEGIC PARTNERS

We're a partner you can trust

Trustpilot

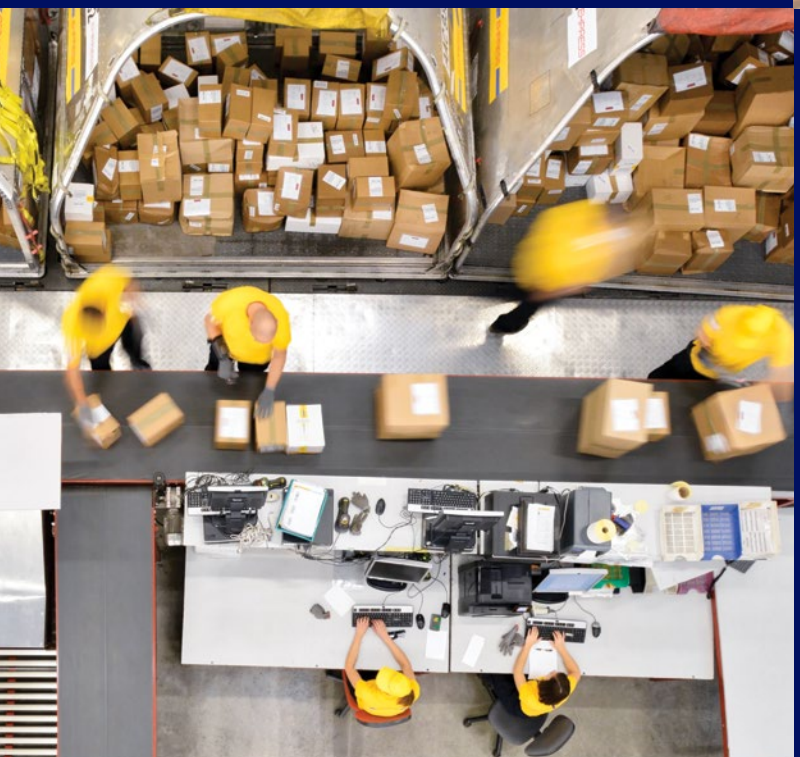
Thank you for your speedy response to our business requirement. We are now able to progress immediately with our plans for the future. The process was efficient, clear and straightforward – exactly as it should be.

MARK SUGDEN, DEC 2021

Trustpilot

Great service, easy to set up and operate and the mix of products works well for any business.

M WALKER, APRIL 2021



Trustpilot

The process was streamlined, quick and easy. All done electronically! I would certainly recommend [MarketFinance]. We have an exciting new project we are working on and without the funds behind us this would not be possible, so we will be forever grateful.

DEBRA, SEPTEMBER 2021

CONTENTS

ABOUT US 04

WHY PARTNER WITH US 05

OUR FINANCE OPTIONS 06

INVOICE FINANCE 07
Overview 08
Identifying a need 09
Solution details 10
How to apply 11

FLEX LOANS 12
Overview 13
Identifying a need 14
Solution details 15
How to apply 16

RLS LOANS 17
Overview 18
Identifying a need 19
Solution details 20
How to apply 21

GET IN TOUCH 22

ABOUT US

At MarketFinance, we believe in the UK's 6 million SMEs. They have the single biggest impact on our economy and define who we are as a nation. We believe these businesses are building the world.

But running a business isn't easy. Accessing finance to bridge today's funding gaps and fuel tomorrow's big ambitions is a constant challenge.

That's why MarketFinance was founded; to take the friction out of finance. For us that means using smart technology to give more businesses better access to the right user-friendly finance, faster and at affordable rates. Importantly, it also means being the people business owners can turn to for help.

Since 2011, we've funded over £2.6bn worth of invoices and business loans using a marketplace model. This means we have businesses that want a loan or funding against outstanding invoices on one side, and investors who advance those funds on the other. We connect these two communities. Our platform investors include Barclays UK, institutional investors, family offices and high net worth individuals.

OUR PARTNERS INCLUDE

BancoBNI Europa · BARCLAYS · Working with British Business Investments · Ebury · EULER HERMES · intuit · NACFB · Santander InnoVentures · Varengold BANK · VIOLA CREDIT · xero

WHY PARTNER WITH US?

KEY BENEFITS

- Partner with a digital-led fintech business
- Experience frictionless customer experience
- Help SMEs with their working capital needs
- Enhance your service offering
- Explore new revenue opportunities
- Get help from a team of dedicated professionals with 10 years of experience

OUR FINANCE SOLUTIONS

We have a variety of frictionless finance solutions to suit almost any business.

INVOICES

INVOICE FINANCE

What is it?
A flexible facility that allows businesses to unlock cash from outstanding invoices, without having to commit their whole ledger.

Who is it for?
B2B businesses with a minimum turnover of £100,000 p.a. or annualised income from current year's trading.

LOANS

RLS LOANS

What is it?
We're an accredited Recovery Loan Scheme lender, delivering loans between £50,000 and £350,000. With us, businesses enjoy interest-only payments for the first 6 months.

Who is it for?
UK registered limited companies who have a turnover of at least £200,000 and have been trading for 3 years or more.

*Credit control is available through Veritas Commercial Services

INVOICE FINANCE

INVOICE FINANCE

Businesses choose which invoice(s) to fund, without having to commit their entire sales ledger. It's a flexible solution for those that have a seasonal or more occasional cash flow need. For those that have a more regular need for funding but still want to maintain flexibility over which invoices to fund, we offer a subscription option. Business that choose this option save money through a fixed monthly fee.

ELIGIBILITY

- They're a Limited company or LLP based in the UK
- Have a minimum turnover of £100,000 p.a. or annualised income from current year's trading

HIGHLIGHTS

- Get up to 90% of their invoice value
- Use once-off or regularly for selective invoices
- Keep full control of their customer relationships
- Their funding grows with their turnover
- Quick and easy online access

WHAT WE CHARGE

- **Service fee (pay-as-you-go only):** A percentage of the invoice face value
- **Subscription fee (subscription only):** A fixed monthly fee for the facility
- **Listing fee:** A £15 fee to cover the cost of CHAPS payments
- **Discount fee:** A charge on the funds used

WHO WE SUPPORT

- Startups, provided they can demonstrate the minimum required revenue
- Phoenix companies, were trading for >2 years and previous business is no longer in liquidation
- Industries where contractual debt is common such as construction; we have slightly different eligibility criteria and funding parameters for contractual debt.

To learn more, download our contractual debt FAQs >

We can't support businesses that:

- Have current insolvency notice or proceedings against them
- Outstanding CCJs*
- A principal owner or director that is disqualified, bankrupt or subject to any other form of personal insolvency

*Please note we may be able to support businesses once the CCJ has been settled

IDENTIFYING A NEED

Invoice finance is a great solution for...

– Bridging the cash gap while waiting out lengthy invoice payment terms
– Covering the upfront costs of kicking off new projects
– Paying staff or suppliers during a temporary cash flow shortfall
– Negotiating early settlement discounts with suppliers
– Investing in more stock to keep up with seasonal demand
– Accessing working capital to fund growth
– Paying large or unexpected bills (e.g. VAT)

It could be a good fit for your client if...

– They invoice their debtors on 30 -120 day payments terms
– They have once-off, seasonal or ongoing funding needs
– They are a B2B company

TRY ASKING...

> What are your current payment terms with your debtors? How soon do you actually need to be paid?

SOLUTION DETAILS

FACILITY TYPE	Pay-as-you-go or subscription
FUNDING PURPOSE	Working capital, debt refinance, operating expenses, asset purchase and business acquisition including MBOs & MBIs, cash flow
MINIMUM TERM	No minimum term
ADVANCE RATES	**Up to 90% depending on sector and client e.g:** – Advertising, media, technology, temp recruitment: 85%–90% – Construction: 55%–65% – Wholesale & Retail: 75%–80% – Start-ups: 70%–75%
CURRENCIES	We fund in multiple currencies
DEBTOR CONCENTRATION LIMITS	No pre-defined limits; these are assessed on a case-by-case basis
ELIGIBLE DEBT	**We typically fund:** – Invoices for a duration between 30 and 120 days – Export debt to approved territories, including most of the EU and OECD All credit worthy debtors are supported
EXCLUDED SECTORS	**We can't fund:** – Permanent recruitment – Commodities – Financial intermediaries or financial lending
SECURITY	We require an assignment over the funded invoices which must be unencumbered from any prior charge or interest. Whether additional security is required will be assessed on a case-by-case basis.
ADD-ONS	For businesses that are looking for additional services, we partner with Euler Hermes for credit insurance and Veritas Commercial Services for credit control.

HOW TO APPLY

HOW IT WORKS

HANDY TIP

Business finance can be complicated, but it doesn't have to be. Here are the answers to some of the most common questions we get about our invoice finance solution.

Visit FAQs

01 REFER

Refer a client by providing their details on our **partner referral portal.** Your client can then either apply directly or through a MarketFinance Business Development Manager.

What's needed to complete the application:

– Full accounts (P&L, balance sheet and any notes to the balance sheet)

– Last 3 months' bank statements

For limits above £100k, we may request an up-to-date Sales and Purchase ledger.

02 UPLOAD

Your client's account will be set up and they'll be able to add their debtors. We'll set up a new bank account for your client and ask that they update their debtors with their new account details.

Next, they upload their invoices to be funded in what is called a *trade*. They'll need to enter the name of their debtor(s), invoice details and contact details for their debtors for verification.

03 VERIFY

The first time your client uploads an invoice from a new debtor, we'll call them to verify the invoice.

We never disclose that we're calling on behalf of MarketFinance, unless specifically asked to do so by the debtor. For most subsequent trades with the same debtor, we use an automated email tool.

04 FUND

Once we have received the verification, we will submit your client's trade to our network of investors to provide funding.

We operate two trading sessions with our investors each day at 12.00pm and 5.00pm. If the trade is funded by 12.00pm, the money is transferred to your client's bank account the same day, otherwise they'll receive the funds the next working day.

FLEX LOANS

FLEX LOANS

FAST, FLEXIBLE, AFFORDABLE

Businesses can withdraw as much of their pre-agreed limit as they choose, and as often as they need to. With flexible terms ranging from 3 to 12 months, your clients can select the repayment schedule that suits them. When they repay, their balance will adjust so they can continue to withdraw. They'll only pay for the funds they actually use.

ELIGIBILITY

- They're a limited company or LLP registered in the UK, trading for at least 12 months
- At least half of the company directors live in the UK

HIGHLIGHTS

- Similar to a credit card or overdraft, your clients will have a pre-agreed limit of up to £100,000.
- Withdraw smaller amounts whenever they want to, or access their whole limit at once
- Request and receive funds on the same day
- Reload their available balance every time they repay
- Select the repayment schedule that suits them

TERMS

Clients will have revolving access to their pre-agreed limit whenever they need it. Clients must make their first withdrawal within 14 days to activate their facility. Facilities remain active unless 12 months pass without the client making a withdrawal or there is a £0 balance for 90 days+

WHAT WE CHARGE

1.4% - 4% per 30 days on the funds in use and no early repayment fees or other charges

WHO WE SUPPORT

- Limited company or LLP registered in the UK
- Minimum trading history of 12 months
- At least half of the company's directors live in the UK
- Neither the company nor any of its directors are currently facing any insolvency or bankruptcy procedures

We can't support businesses that operate in lending, pawnbroking and insurance. While we can support hospitality, events, travel and construction businesses, we can't offer them limits over £50,000.

IDENTIFYING A NEED

A flex loan is a great solution for...

– Bridging the cash gap while waiting for invoices to be paid
– Launching new products and boosting marketing spend
– Covering day-to-day costs like paying staff and suppliers
– Moving to bigger premises and upgrading equipment
– Taking on bigger contracts or winning new clients

It could be a good fit for your client if...

– They want a revolving credit facility that's more affordable and easier to access than a credit card or overdraft
– They have occasional or regular funding needs
– They are a B2B or B2C company

TRY ASKING...

> Do you generally have steady cash flow? Could you do more if you had a buffer?

SOLUTION DETAILS

FACILITY TYPE	12 month revolving credit facility
FUNDING PURPOSE	Working capital, debt refinance, operating expenses, asset purchase and business acquisition including MBOs & MBIs
MINIMUM TERM	Facilities remain active unless 12 months pass without the client making a withdrawal or there is a £0 balance for 90 days+
FUNDING LIMIT	Up to £100,000 accessed all at once or in smaller amounts as needed
CURRENCIES	We fund in GBP
PRICING	1.4% – 4% per 30 days on the funds in use and no early repayment fees or other charges
REPAYMENT	Monthly direct debit payments split over up to 12 months
EXCLUDED SECTORS	**We can't fund:** – Lending – Pawnbroking – Insurance – While we can support hospitality, events, travel and construction businesses, we can't offer them limits over £50,000
SECURITY	Unsecured or Personal Guarantee from shareholder or ultimate beneficial owner

HOW TO APPLY

HOW IT WORKS

01 REFER

Refer a client by providing their details on our **partner referral portal.** Your client can then either apply directly or through a MarketFinance Business Development Manager.

What's needed to complete the application:

– Last 6 months' bank statements
– Director's details
– Last filed accounts (for applications over £50,000)

02 ACTIVATE

Your client needs to make their first withdrawal within 14 days.

03 REQUEST

Your client can request funds (up to their limit) whenever they need to, selecting their preferred repayment schedule for each withdrawal.

If your client requests a withdrawal before 11.30am, they'll get the funds that day. If they make a request before 4.30pm, they'll have funds in their account at the beginning of the next working day.

04 REPAY

Clients make monthly payments to reload their balance.

05 REPEAT

Your clients can withdraw and repay was many times as they choose.

RLS LOANS

RECOVERY LOAN SCHEME

LOAN TO FUEL RECOVERY AND GROWTH

RLS loans are designed to accelerate your clients' post-pandemic recovery. They can borrow between £50,000 and £350,000 to boost business and focus on the future. With MarketFinance, arrangement fees are capped at 4% and repayments are interest-only for the first six months.

ELIGIBILITY

– UK registered limited company
– Turnover of at least £200,000
– Trading for 3 years or more

HIGHLIGHTS

– Loans from £50,000 to £350,000
– Repayable over 4, 5 or 6 years
– Interest-only payments for 6 months

TERMS

A choice of 4, 5 or 6 years

WHAT WE CHARGE

– 4% arrangement fee
– Interest from 8.49% to 10.59%
– No charge for early repayment

WHO WE SUPPORT

– UK registered Limited companies
– Turnover of at least £200,000
– Trading for 3 years or more
– Currently trading and profit-making
– Director is a UK homeowner
– Have been impacted by Covid-19

We can't support businesses that operate in: banking, building societies, insurers and reinsurers, public sector bodies, state funded schools, real estate and related activities

IDENTIFYING A NEED

An RLS loan is a great solution for...

– Funding the next stage of a pandemic pivot
– Managing increased demand as business picks up
– Enhancing operations and productivity
– Covering the cost of hiring and training new talent
– Expanding premises to match an increase in sales
– Improving digital presence and exploring ecommerce

It could be a good fit for your client if...

– Their business was impacted by the COVID-19 pandemic
– They're ready to move beyond survival into a period of recovery and growth
– They're a B2B or B2C company

TRY ASKING...

> What's next for your business? Do you have the working capital available to make it happen?

SOLUTION DETAILS

FACILITY TYPE	Term loan
FUNDING PURPOSE	Growth funding, working capital, refinance, asset purchase and research & development
MINIMUM TERM	A choice of 4, 5 or 6 years
FUNDING LIMIT	£50,000 to £350,000
PRICING	– 4% arrangement fee – Interest from 8.49% to 10.59% – No charge for early repayment
REPAYMENT	Interest-only payments for the first 6 months, interest and principal repaid thereafter
EXCLUDED SECTORS	**We can't fund:** – Banks and building societies – Insurers and reinsurers – Public sector bodies – State funded schools – Real estate and related activities
SECURITY	Unsecured, with loans above £250,000 subject to a personal guarantee in line with the RLS scheme

HOW TO APPLY

HOW IT WORKS

01 REFER

Refer a client by providing their details on our **partner referral portal.** Your client can then either apply directly or you can apply on behalf of your client.

What's needed to complete the application:

– Last 6 months bank statements (dated to within 2 weeks)
– Director's details
– Latest statutory accounts

02 FUNDING

Your client will have funds in their account within 48 hours of signing the documents.

03 INTEREST PAYMENTS

For the first six months, your client will make interest-only payments.

04 FULL REPAYMENTS

From month seven, your client will make interest and principal payments.

GET IN TOUCH

GOT QUESTIONS?

We're always just a phone call or email away!

MUKS IQBAL
077 7407 4495
m.iqbal@marketfinance.com

SABIH ALI
077 5219 3676
s.ali@marketfinance.com

CHRIS FINDLOW
077 7586 1097
c.findlow@marketfinance.com